

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:5468
ANSWERED ON:27.04.2015
CHANGES IN EPF LAWS
Jayadevan Shri C. N.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Employees Provident Fund Organisation (EPFO) and Central Board of Trustees (CBT) has recommended for revision of pension rules for employees covered under the EPF and if so, the details thereof;
- (b) whether CBT also propose to amend the act for entitlement of pensions and also doing away with the mandatory 12 per cent contribution of employees and if so, the details thereof;
- (c) whether the Government propose to make provision for counting pension of average 30 months salary instead of 60 months at present and deduct PF not only on the salary but on the allowance as well; and
- (d) if so, the details thereof and the extent to which employees are likely to be benefited by this decision of the Government?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT (SHRI BANDARU DATTATREYA)

- (a): The Central Board of Trustees (CBT), Employees' Provident Fund (EPF), in its 206th meeting held on 11.03.2015 made the following recommendations :
- (i) Increase in the age of vesting pension from 58 to 60 years at the option of member and giving incentive to such persons who opt for drawing pension at the age of 60 years.
 - (ii) Increase in the short service pension entitlement age from 50 years to 55 years of age.
 - (iii) Determining the pensionable salary for computation of pension on the average of 30 months in place of existing 60 months.
 - (iv) Eligible service is to be determined on the basis of 'contributory service' in place of 'actual service'.
 - (v) Specifying age limit for orphan pensioners to 25 years of age.
 - (vi) Amendment to limit the liability of the pension fund in the event of death of a member in respect of whom no contribution is received for a period of 36 months.
 - (vii) Continuing provision of minimum pension of Rs. 1,000/- beyond 2014-15.
 - (viii) Restoration of commuted value of pension under Employees' Pension Scheme (EPS), 1995 after 15 years and re-introduction of the provision of commutation.
- (b): Amendment to Employees' Pension Scheme (EPS), 1995 is done as and when required. However, there is no proposal to do away with the mandatory contribution of 12 per cent by employees.
- (c) & (d): The Central Board of Trustees (Employees' Provident Fund), in its 206th Meeting held on 11.03.2015 has recommended determination of the pensionable salary for computation of pension on the average of 30 months in place of existing 60 months. However, no such proposal has been received by the Government.

A new definition of "Contributing Wages" (which excludes certain allowances) has been included in the proposed amendments to the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.